

REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

MARCH 14, 2008

VOLUME II OF II

LOCATION:

TENNESSEE VALLEY AUTHORITY
400 WEST SUMMIT HILL DRIVE
KNOXVILLE, TENNESSEE 37902

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MEMBERS OF THE REGIONAL RESOURCE STEWARDSHIP COUNCIL

MR. DAVE WAHUS (FACILITATOR)

MR. TOM LITTLEPAGE (COUNCIL CHAIR)

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MR. KENNETH RAY DARNELL

MR. KARL W. DUDLEY

MR. JEFFREY P. DURNIAK

MRS. JEAN KELLEMS ELMORE

MR. BILL FORSYTH

MR. JIM FYKE

MR. MICHAEL GOODMAN

MR. GEORGE KITCHENS

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MR. WES ROSENBALM

MR. ROY G. (JOE) SATTERFIELD, JR.

MR. BRUCE SHUPP

MR. BILL TITTLE

MR. RUSSELL TOWNSEND

MR. THOMAS R. VORHOLT

MS. CAROL DOSS

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TENNESSEE VALLEY AUTHORITY DESIGNATED FEDERAL OFFICER

MR. PEYTON T. HAIRSTON, JR.
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1 P R O C E E D I N G S

2 COUNCIL CHAIR MR. TOM LITTLEPAGE: All

3 right. I do want to, on behalf of the Council, thank

4 TVA for a wonderful meal last night. They never

5 cease to bring us good food, and that was a very,

6 very good meal, a good opportunity to gather.

7 I would remind everyone on the Council

8 that there is a quorum requirement. So I think I

9 have heard some people mention about leaving, and I

10 would just ask you to be sensitive to make sure that

11 we can maintain a quorum as we get into the

12 discussion and the votes on our recommendation for

13 that.

14 So are there any -- be aware that

15 we're going to set the next meeting up after we get

16 through with our discussion. So hopefully you

17 have -- can provide an input or have your input

18 relative to your available dates.

19 And Peyton, do you have any anything?

20 DFO MR. PEYTON HAIRSTON: No, sir. I

21 think that's it.

22 COUNCIL CHAIR MR. TOM LITTLEPAGE: All
23 right. Dave is going to kind of walk us through the
24 questions and get us going.

25 FACILITATOR DAVE WAHUS: Good morning.
1 I would ask you to pull out two pieces of paper. One²³²
2 is the copy of the questions we're going to be
3 working with. You will see the questions or the
4 information up here but pull them out.

5 Then go to the tab, TVA's Draft
6 Environmental Policy, go to that tab in your book and
7 then turn to slide No. 11. It's one of the first
8 tabs in your book, TVA's Draft Environmental Policy.

9 We're going to be using that -- we're
10 going to be using several terms this morning. One of
11 the questions that talks about -- the first question
12 talks about focus areas, and I have been asked to
13 define a focus area.

14 I don't have the ability to put this
15 up on the screen this morning. So we will just have
16 to -- but unless you're -- if you're colorblind and
17 you can't tell the difference between colors, ask the
18 person next to you to help you.

19 MS. CATHERINE MACKEY: And hope
20 they're not colorblind.

21 FACILITATOR DAVE WAHUS: Yeah, and
22 hope they're not colorblind. I worked for a general
23 one time who was colorblind and we had to really be
24 conscious of the colors that we used or failed to use
25 in the presentations because the red and greens look
1 black to him. So in a presentation he said that the 233
2 green looked black and he looked at you, and he was a
3 nice man, but it was embarrassing the first time it
4 happened.

5 If you look at the ovals on this
6 sheet, the blue and green ovals at the bottom are
7 focus areas to give you a pictorial definition. The
8 two rows of ovals near the bottom are the focus
9 areas.

10 Those items in green are the focus
11 areas that deal with the stewardship, natural
12 resources environmental stewardship, and those are
13 the four that TVA has identified.

14 So as we go through this process
15 essentially one of the questions is going to be, are
16 there any other focus areas that the environmental
17 stewardship should be identifying and are the --
18 should any of these four that we have, should they be
19 different, should they be split out, those types of

20 questions. So we will spend a little bit more time
21 on that.

22 Then the other question was, what is a
23 key issue? In question No. 2 you're asked, what are
24 the key issues of the focus areas?

25 Let me give you an example of two or ²³⁴
1 maybe three key issues for natural resources
2 strategy. You will notice that one of the green
3 focus areas is natural resources strategy. One of
4 the key issues is the -- under natural resources
5 strategy is, how do we figure out how much informal
6 recreation should be provided?

7 Now, if we talk about formal
8 recreation for a recreation area or a campground,
9 then that key issue, identifying how much formal
10 recreation or campgrounds or such, then that would
11 fall under the recreation strategy, but if we're
12 talking about informal or primitive camping and
13 recreation, then that would fall under natural
14 resources. Buff had talked a little bit about that
15 yesterday.

16 A second key issue under recreation or
17 the natural resource strategy, and correct me if I
18 interpret this wrong now, what level of protection or

19 the level of protection that should be provided to
20 the resource, to the natural resource? Should we
21 keep everybody off of it, off of the resource?
22 Should we let people at least walk through it or
23 should we just forget about the natural resources and
24 let anybody do anything they want on it? So there's
25 several extremes.

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1 Did that make everything really muddy
2 for you, really crystal muddy?

3 Okay. Well, if you have questions and
4 you still don't understand, I will get somebody from
5 TVA to help me define those.

6 Did I take anybody in the wrong
7 direction? Maybe I didn't do a good job of defining,
8 but I hope we're going in the right direction.

9 Okay. Very good.

10 MR. BRUCE SHUPP: Dave, may I make a
11 suggestion to TVA? Instead of calling that one focus
12 area natural resource strategy, why not call it
13 management of TVA's lands and water, because when you
14 say natural resource strategy, it seems to compete
15 with the concept of environmental policy, the policy
16 strategy.

17 FACILITATOR DAVE WAHUS: Let's start

18 out with -- let's start out with that suggestion and
19 put it up on the board.

20 MR. BRUCE SHUPP: Essentially, I
21 think, that's what that is. It's the management of
22 the TVA lands, the resources on the TVA lands and on
23 the TVA water, right?

24 MS. ANDA RAY: It's not really. It's
25 a specific part of the TVA lands.

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1 MS. BRIDGETTE ELLIS: The lands
2 allocated for those purposes. Remember?

3 We're talking about sensitive resource
4 management and natural resource management. So it's
5 the 80 percent of the TVA lands that are allocated
6 for that purpose. So it's not all lands.

7 MS. BUFF CROSBY: And if you would
8 look at -- kind of what we're looking at is that land
9 use and shoreline management strategy, that is where
10 we're really kind of talking about, how do we
11 allocate those lands, how do we use them in all of
12 those different allocations, and really kind of
13 manage those for the multiple benefits of industrial,
14 economic development, and conservation?

15 The shoreline management or shoreline
16 strategy is really kind of that 26(a), the permitting

17 piece of it. What the natural resource management
18 strategy really does is, what do we actually do on
19 the ground in those natural resource conservation
20 lands and those sensitive resource management lands?
21 What activities do we really do there?

22 So it really is kind of separate in
23 that, how do we use the lands and what buckets do we
24 put them in and what kind of activities do we do from
25 the protection conservation piece?

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1 MR. BRUCE SHUPP: I understand now
2 that you have explained it. I just wondered if it
3 couldn't be titled better, because if we're having
4 trouble after we went through all of this, anybody
5 else that looks at this, without a lot of
6 explanation, is going to --

7 FACILITATOR DAVE WAHUS: Thank you,
8 Buff.

9 MS. BUFF CROSBY: All right.

10 FACILITATOR DAVE WAHUS: Let's start
11 with -- the four focus areas that are identified in
12 green, should any of them be retitled or should any
13 of them be split into something else?

14 If you -- this is what we heard you
15 say, instead of natural resource strategy, call it

16 management of TVA lands and water.

17 MR. BRUCE SHUPP: Or something else.
18 Whatever they feel comfortable with.

19 FACILITATOR DAVE WAHUS: You think it
20 should be retitled?

21 MR. BRUCE SHUPP: I think it should
22 because it confuses people. It confused me and I
23 think I am more aware of what they are doing than the
24 average citizen is. So it's going to confuse a lot
25 of people, I would think.

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1 FACILITATOR DAVE WAHUS: Okay. May I
2 stop here just a moment and let me read the question
3 one time through, and then, Mike, we will go to you.

4 The question that we're asking is:
5 From a land and water stewardship perspective, what
6 are the specific focus areas that need to be covered
7 in TVA's overarching environmental policy?

8 Okay. Mike.

9 MR. MICHAEL BUTLER: It might -- maybe
10 to get to one of the things that Bruce is pointing
11 out, maybe it would help to have just a sheet
12 included that defines it and gives some definition of
13 the terms in terms of the perspective of TVA. It
14 says, here's what we mean by a policy-and-framework

15 definition and here's what we mean by strategy and
16 here's what we mean by this.

17 So a one-pager that has a very simple
18 straight-line schematic that says, we do this for
19 these reasons. From that we derive this for these
20 reasons. From that, you know, kind of like, you
21 know, a planning hierarchy explanation just so that,
22 to Bruce's point, somebody that doesn't sit through
23 these sessions could pick it up and follow why those
24 things are being done the way they are. That might
25 be a real simple solution.

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1 FACILITATOR DAVE WAHUS: Thank you.
2 Jeff.

3 MR. JEFF DURNIAK: You may wish to
4 look at your federal partners for terminology. As
5 much standardization as you could provide would help
6 the public to understand. I'm not sure about your
7 strategy terminology.

8 For instance, in recreation, Buff,
9 what you're really talking about the Forest Service
10 would term a dispersed recreation in natural resource
11 management and then developed recreation in your
12 recreation strategy, but there may be some precedent
13 or guidance provided by the Forest Service or the

14 Corps. That way the similar programs will have
15 similar titles which will be more understandable to
16 the public.

17 FACILITATOR DAVE WAHUS: Use similar
18 terminology to the Forest Service.

19 Any other comments?

20 Okay. Are there any of the focus
21 areas that are identified that should be changed,
22 should be deleted, should be renamed, split?

23 Okay. Then the other half of question
24 is -- okay. Jeff.

25 MR. JEFF DURNIAK: My question is: 240
1 Why is water quantity not addressed?

2 I realize that water quantity is
3 primarily a state issue, but I would wonder about a
4 defined policy that handles water quantity as a
5 separate strategy.

6 FACILITATOR DAVE WAHUS: Okay. So
7 water quantity would be separate. Okay.

8 MR. GLEN BIBBINS: What is sufficiency
9 in terms of water quality? Is that related to
10 quantity?

11 FACILITATOR DAVE WAHUS: Does someone
12 want to address that?

13 Bridgette.

14 MS. BRIDGETTE ELLIS: That is the
15 intent. I mean, that's what it says is quality and
16 sufficiency instead of saying quantity, because water
17 supply truly is a state requirement and issue.

18 So for us it's how do we help
19 facilitate those regional-type issues related to
20 water sufficiency?

21 Do you have sufficient waters for all
22 the multiple uses that the Valley needs?

23 FACILITATOR DAVE WAHUS: Okay. Thank
24 you. So the answer is quantity is addressed, just
25 not in the terminology that you used.

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1 Mike.

2 MR. MICHAEL BUTLER: To get to the
3 answer, or at least to get to something to put under
4 the question, one of the things TVA has done a good
5 job with that they need to continue to do a good job
6 with is understanding that the lands that they manage
7 serve a pretty important role from multiple benefits,
8 you know, in terms of ecological buffering that we
9 talked about yesterday, to recreation, to all of
10 these different things, understanding that the
11 surrounding lands, some of the things we touched on

12 yesterday are going to continue to have increasing
13 pressure put on them.

14 So for TVA to continue to look at
15 those in a role of a -- they provide a fairly unique
16 benefit in the Valley that nobody is -- nobody else
17 really can meet. There's no other agency, entity,
18 organization or otherwise that it has land holdings
19 that are strategically placed along the reservoirs
20 like TVA does by definition through the creation of
21 the reservoir system, but that does make them
22 increasingly valuable as you go through time.

23 FACILITATOR DAVE WAHUS: Okay. Are
24 there any other focus areas that we need to identify?

25 We're going to stay here. This isn't
1 going to get you home any faster. Okay. Then we
2 will come back to that.

3 Of the four that we have identified,
4 plus the point that Mike just made, what are the key
5 issues?

6 Let's start with water quality and
7 sufficiency or water quality and quantity, what are
8 some of the key issues that should be addressed under
9 this?

10 What are some of the key issues that

11 we want to make sure that we -- that are addressed
12 under water quality and sufficiency?

13 Mike.

14 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
15 think that --

16 FACILITATOR DAVE WAHUS: Tom. I
17 apologize.

18 COUNCIL CHAIR MR. TOM LITTLEPAGE: We
19 alluded to it earlier, given the statutory nature of
20 water quantity that TVA needs to ensure a close
21 coordination with each of the seven states and try to
22 establish a dialogue at the highest levels possible
23 to identify issues and provide recommendations or
24 what's the -- I'm struggling here, basically looking
25 at interstate implications of water quality -- of
1 water quantity management decisions. 243

2 This is inherently a state's issue,
3 but as Mike alluded to, this is a resource that spans
4 all states, all the Valley states, and there has to
5 be some commonality in how certain issues are treated
6 or at least understanding of impacts.

7 FACILITATOR DAVE WAHUS: Any other key
8 issue?

9 Bruce. Go ahead.

10 MR. BRUCE SHUPP: I think in our
11 discussion last time about the drought, in the
12 drought discussion, didn't we -- didn't we suggest
13 that they provide leadership to facilitate
14 discussions among the states on these -- it's about
15 the same concept as that, but it was more specific
16 that they -- TVA facilitate the discussions to bring
17 all the states together to talk about basin-wide
18 drought management.

19 I think this will be the same thing
20 for long-term, instead of drought management, the
21 concepts of how are we going to use this water on an
22 interstate basis.

23 Does that make sense? That's about
24 the same type of recommendation.

25 FACILITATOR DAVE WAHUS: It's just a
1 longer term. 244

2 MR. BRUCE SHUPP: A longer term.

3 FACILITATOR DAVE WAHUS: Wes.

4 MR. WES ROSENBALM: I think someone
5 mentioned it yesterday, but I think assistance with
6 conservation. Let me give you an example.

7 You can appeal to people about
8 conservation for environmental reasons, but there's

9 also a second group out there that when you put out
10 the information that we cannot produce this much
11 electricity at this cost because we didn't have the
12 water, it sends another message that it's costing you
13 this much money at your home because we don't have
14 the water.

15 If you could mix that in with your
16 energy efficiency, I think they have got an
17 opportunity, TVA, to really send a message out that
18 it is an environmental issue but it also is a
19 financial issue for you at your home. So I think a
20 conservation program on the water side would be well
21 intentioned.

22 FACILITATOR DAVE WAHUS: Did that
23 capture your thought?

24 MR. WES ROSENBALM: Yes.

25 FACILITATOR DAVE WAHUS: I'm not sure
1 who was up first. Yes, sir. Go ahead. 245

2 MR. MICHAEL GOODMAN: Just echoing
3 what Tom said, and not necessarily a comment, but
4 TVA, while they can escape water quality by their
5 discharges and things of that nature, they are also
6 saddled with the states issuing permits for the
7 various dischargers that go into the river.

8 So coordination is key because not
9 only -- TVA can do what they can do, but TDEC, in
10 Tennessee's case, is going to have some input or
11 impact on the water quality by the permits that they
12 issue. So coordination is key.

13 FACILITATOR DAVE WAHUS: Okay. I am
14 not sure who was up here first.

15 Jeff.

16 MR. JEFF DURNIAK: You may wish to
17 resurrect that document, the drought management
18 document that prioritized the water uses under a
19 level three or a level four drought. You had like a
20 1980s document that may provide some guidance in
21 these discussions.

22 FACILITATOR DAVE WAHUS: Mike.

23 MR. MICHAEL BUTLER: The one -- I'm
24 trying to think about these topics in terms of policy
25 versus strategy. My brain always wants to go pretty
1 quick to strategy. 246

2 Understanding that TVA has to -- has
3 to compete internally with itself between, you know,
4 the natural resources, managers, versus the power
5 managers, versus all of these different pieces of the
6 pie, something I said yesterday I would like to have

7 put up there, taking the opportunity to use the
8 natural resource conservation lens to view a lot of
9 these decisions in the environmental policy.

10 I am going to contrast that from -- in
11 other words, from taking a business perspective and
12 then fitting conservation into those objectives and
13 agendas, turning that model on its head and taking
14 the conservation perspective and then fitting the
15 business pieces into that, if not for only the reason
16 to go through that exercise to see where the
17 differences are, that's a complex way of saying the
18 environment is the bank from which they make
19 withdrawals. So you don't want to have the bank go
20 broke.

21 So having that perspective internally
22 in terms of their debates may also move itself over
23 into what I discussed yesterday about the marketing
24 and public relations standpoint of it.

25 I don't think it will fundamentally
1 changed. I am not saying fundamentally change any of
2 their mission or the way that things need to be
3 handled in terms of producing power or economic
4 development but just the perspective from which it's
5 viewed.

6 You know, in that listing of mission
7 priorities one, two, three, environment is the last
8 on the priority list. I know it's not necessarily
9 last in a lot of the professionals' minds, but having
10 that viewpoints -- taking that lens and looking at it
11 through that.

12 And they may be doing that. I don't
13 want to come across as saying they are not, but it's
14 unknown at this time. I can see where the -- you
15 know, I can see where the bias could be there to pull
16 towards things that aren't there in conservation.

17 So I think that's a pretty important
18 thing to do when looking at an environmental policy,
19 because the way that I kind of view it is do no harm
20 and then do good, and if you can follow those two
21 steps you can end up doing a lot of great work in
22 producing power, promoting economic development
23 throughout the Valley, and then having the resources
24 there protected and managed properly to sustain that,
25 which gets to the sustainable economic development
1 piece. 248

2 FACILITATOR DAVE WAHUS: George.

3 MR. GEORGE KITCHENS: I don't know if
4 this will work or if we have the internal

5 professional resources to do it, but TVA, with some
6 of the large industrial users, provides a level of
7 support to promote energy conservation.

8 They will come in and do surveys in a
9 factory or something and see where the energy is
10 getting wasted and then make recommendations to that
11 user as to how they might become more efficient.

12 I wonder in the context of water, you
13 know, a company might be very good at making paper,
14 for example, but the paper mill was built 40 years
15 ago, there may be now better technologies to minimize
16 the use of the water, promote conservation.

17 If TVA could come up with a support
18 program like that that would encourage conservation
19 among industrial users just like they do with energy,
20 because as everyone has pointed out, you know, if
21 there's less water available, there's less hydro
22 generation potentially available. There may be
23 thermal impacts on water that could be abated.
24 Things could maybe be cleaner. Maybe processes could
25 use less water.

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1 If we had something, at least in an
2 advisory capacity, that might be something that would
3 be helpful. I don't know if any of that made sense.

4 MR. MICHAEL BUTLER: I'm just echoing
5 what George is saying, if you look at TVA's web site
6 right now, the very thing at the top of the web site
7 says, "Get a free energy conservation kit," and it
8 would be -- that would be a very interesting thing to
9 say, "Get a free water conservation kit," and talk
10 about how water is energy in the Valley.

11 MR. GEORGE KITCHENS: Well, I mean,
12 the home energy conservation kits are a couple of
13 light bulbs. So you can give them a pure water
14 filter and see how long that lasts at the paper mill.

15 FACILITATOR DAVE WAHUS: Any other
16 comments?

17 I'm sorry. Bill. You're so close I
18 couldn't see you.

19 MR. BILL TITTLE: I think
20 environmental issues have always been a high priority
21 for TVA. We were talking about this morning. I am
22 sure there have been safeguards in place in a lot of
23 areas, federal, state, and local, to monitor what
24 goes into the water system with TVA, but I think to
25 somewhat summarize -- kind of summarize what a lot of
1 you have said, should a focus area be to really look
2 at the safeguards that are in place and do we need to

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3 modify any of those, add to those as environmental
4 concerns change and to be sure that TVA continues to
5 focus on the broad spectrum of environmental concerns
6 that we face today that we haven't faced in the years
7 past.

8 FACILITATOR DAVE WAHUS: Any other
9 comments?

10 Well, the second half of question No.
11 2 asks: What relative emphasis should each key issue
12 receive?

13 So under the -- we have identified --
14 come up a little bit, two, four -- six issues under
15 water quality and quantity or water quality and
16 sufficiency, what -- do they receive a high emphasis,
17 a medium emphasis or a low emphasis?

18 Here we need input from you. Rather
19 than trying to prioritize one, two, three, four
20 through six, if you would help me identify whether
21 you think they should receive a high emphasis, a
22 medium emphasis or a relatively low emphasis.

23 MR. MICHAEL BUTLER: Is that just for
24 water or for the land as well?

25 FACILITATOR DAVE WAHUS: We're talking
1 about under water quality and sufficiency. So each

2 of the issues that they should be addressing
3 establish dialogue -- the first issue is establish
4 dialogue at a high level to identify issues and
5 provide interstate recommendations on management of
6 water quality and quantity and a common understanding
7 of impacts or the understanding of the impacts, is
8 that -- should TVA give that a high emphasis, a lot
9 of emphasis, kind of a mediocre emphasis or should
10 that be something they do if they have time?

11 MR. MICHAEL BUTLER: Before we go
12 there, I would like to add one more key issue.

13 FACILITATOR DAVE WAHUS: Absolutely.

14 MR. MICHAEL BUTLER: It's a stated and
15 obvious position on how activities on land impact
16 water, that sounds pretty Mickey Mouse, but at the
17 policy level having a statement that says,
18 overarching we understand that everything that
19 happens on the land has a direct impact in the water
20 in these watersheds, because within that framework
21 there are a lot of things -- you get to a lot of the
22 details of this if you take that macro view.

23 FACILITATOR DAVE WAHUS: Okay.

24 MR. BRUCE SHUPP: A question for TVA.
25 Is this the category that the biological monitoring

1 programs are under for the aquatic resources?

2 MS. BRIDGETTE ELLIS: Water quality?

3 MR. BRUCE SHUPP: Yes.

4 MS. BRIDGETTE ELLIS: Yes.

5 MR. BRUCE SHUPP: So this where the
6 fisheries program, the aquatic program, everything is
7 under this?

8 MS. BRIDGETTE ELLIS: Yes.

9 MR. BRUCE SHUPP: We, management, is
10 under this?

11 MS. BRIDGETTE ELLIS: Yes.

12 MR. BRUCE SHUPP: Then I think we
13 should have a category that says, maintain adequate
14 levels of water quality and biological monitoring,
15 because we have nothing in there about that. That
16 would be an initiative you would want to maintain.

17 COUNCIL CHAIR MR. TOM LITTLEPAGE: A
18 good point.

19 FACILITATOR DAVE WAHUS: Wes.

20 MR. WES ROSENBALM: This may already
21 be covered, but we need to educate some of our water
22 suppliers out there because I can tell you we had an
23 example in Bristol, we're a split community, and
24 Bristol, Tennessee's water intake is on the other

25 side of the dam. When the lake started dropping
1 down, the city manager in Bristol, Tennessee did a 253
2 study and said, there's this much water in the lake
3 and it will serve us for this long.

4 I tried to explain to him that you
5 don't have access to all of that water in that lake,
6 that it gets to a certain level and that's as far as
7 it goes, but he would not listen to me. In his mind
8 he had water for years and years and years because of
9 the depth of the lake and things of that nature. I
10 think there's a lacking maybe of understanding of
11 TVA's overall policy about how they do some of the
12 things around those water intakes.

13 FACILITATOR DAVE WAHUS: The policy
14 and the basic operation?

15 MR. WES ROSENBALM: Right. The charts
16 that Chuck was showing us and things of that nature.
17 An educational process may be due. That's a
18 double-edged sword sometimes, but you may want to
19 consider that.

20 FACILITATOR DAVE WAHUS: Everybody
21 might learn something.

22 MR. WES ROSENBALM: Right. You may
23 learn something that you don't want them to know, but

24 that's just the reality.

25 FACILITATOR DAVE WAHUS: Excellent.

254

1 Excellent. Any other comments?

2 Well, then, would you help me identify
3 whether you think each issue is high or medium or
4 low?

5 And we're going to go through each
6 one, and if you think it's high do -- we're going to
7 go with thumbs again. So you're not going to have to
8 talk, but you're going to have to vote.

9 If you -- as we go through each of
10 these key issues, if you think it's a high priority,
11 something TVA should give a high priority to, I want
12 a thumb up.

13 If you think it's medium, off to the
14 side. You can go to either side, it doesn't make any
15 difference. It depends on whether you're right- or
16 left-handed.

17 Then if you think it's low, then we
18 will do a thumb down. We will try to get a consensus
19 here. And if you think all of them are high
20 priority, indicate your opinion as we go through.

21 Does anybody have any questions or any
22 objections to going through that process?

23 Tom.

24 COUNCIL CHAIR MR. TOM LITTLEPAGE: No,
25 I don't have any questions on the process I guess if
1 we're ready to start talking. I'm confused about A 255
2 and B.

3 MR. BRUCE SHUPP: I think they are the
4 same thing.

5 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
6 think they are the same thing.

7 FACILITATOR DAVE WAHUS: Do you want
8 to combine them?

9 MR. BRUCE SHUPP: Yes.

10 FACILITATOR DAVE WAHUS: Let's just
11 combine them. Very good. That works.

12 MR. BRUCE SHUPP: Yes.

13 FACILITATOR DAVE WAHUS: Any other
14 combinations or questions on any of these before we
15 start?

16 I am not going to read them to you at
17 this point because I know you can all read.

18 Are the letters large enough for you
19 to see from that distance? Hearing no objection, I
20 assume they are.

21 Okay. Let's start. The first one it

22 is to establish a dialogue at a high level to
23 identify issues and provide interstate
24 recommendations on management of water quality and
25 quantity. Facilitate discussions at the state level
1 to talk about the long-term basin wide water quality. 256

2 Is that a high priority or a low
3 priority? Let me see some thumbs. Okay. Everybody,
4 that's a high priority.

5 Okay. The second one, assistance with
6 conservation measures. Send a message to
7 stakeholders defining the connection between quantity
8 and power generation and power costs.

9 High or low or medium? Hold them
10 there for a minute. I see more high than medium. So
11 we go with high.

12 Coordination with the states is key,
13 especially in regards to state permits for discharge.
14 Is that a high priority, a medium priority, a low
15 priority?

16 Now I am going to have to count.
17 There's one more high than there is medium. So we
18 will go with high.

19 Use the model of TVA's industrial
20 energy efficiency audits performed by TVA staff in

21 the arena of water. High? Medium? Low?

22 We need a vote out of you, Bill.

23 MR. BILL FORSYTH: I don't understand
24 that one.

25 FACILITATOR DAVE WAHUS: Huh?

1 MR. BILL FORSYTH: I don't understand 257
2 it.

3 FACILITATOR DAVE WAHUS: Use the model
4 of TVA's industrial energy efficiency audits that are
5 performed by the TVA staff, use that type of model in
6 the arena of water. It's a water audit, if you will.
7 It's what George was talking about here.

8 MR. GEORGE KITCHENS: I don't know how
9 much bang we will get out of it, but it could impact
10 both sufficiency and quality issues in the river.
11 That's sort of where I was going.

12 FACILITATOR DAVE WAHUS: Okay.
13 Thumbs. It's a medium. Okay.

14 Monitor existing safeguards to be sure
15 that TVA continues its focus on a broad spectrum of
16 environmental concerns. Thumbs. Medium.

17 F: How activities on land impact
18 water. Everything that happens on land has a direct
19 impact in the watersheds. Is that something that

20 they need to address high, medium or -- well, for
21 those that are voting, it looks like it's a high.

22 Maintain adequate levels of water
23 quality and biological monitoring. We have high.

24 Educate water suppliers on the basic
25 operation of municipal water intakes and how TVA 258
1 manages river flows around the municipal water
2 intakes. I see mostly high there.

3 Okay. Now, we're going to go on and
4 we're going to go with land and shoreline strategy,
5 and then we will go on to natural resources and
6 recreation strategy.

7 As we go through these, if you can
8 think of another focus area that we need to be
9 addressing, some of this discussion may jar something
10 loose up there, then make a note of it and when we
11 get done we'll go back and ask the question are there
12 any others.

13 Okay. Land and water -- land and
14 shoreline strategy is the focus area. What are some
15 of the key issues that should be addressed here?

16 COUNCIL CHAIR MR. TOM LITTLEPAGE: How
17 do you handle those sort of -- as Mike alluded to,
18 the link between water -- land use and impacts on

19 water as sort of a cross-boundary issue?

20 FACILITATOR DAVE WAHUS: Let's add it.

21 If you think that's important, let's add it up here
22 because a key issue could fall under a number of
23 different focus areas.

24 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
25 would just use his wording in F up there.

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1 FACILITATOR DAVE WAHUS: F should be
2 added. Mike.

3 MR. MICHAEL BUTLER: Dave, I would
4 like to ask Bridgette just for a brief on, what's the
5 feeling you think within TVA about how the strategy
6 has worked since '96 or '97 when it was put in place,
7 the shoreline management initiative in terms of
8 protecting and doing the things that we all thought
9 it needed to do back then?

10 Because it's over ten years old now,
11 it may be due for an update if there are things that
12 have come up that we didn't predict, which typically
13 happens.

14 MS. BRIDGETTE ELLIS: I think the main
15 thing with the policy is it set a very, very clear
16 direction. In other words, it said how much
17 shoreline was available for residential access, you

18 know, for water use facilities. It set the standards
19 for buffers. It also set the standards for dock
20 sizes and the standards for materials and all of
21 that.

22 So I think the policy, in and of
23 itself, is still very sound. We still -- I think it
24 clearly articulates, you know, how much of the
25 reservoir shoreline is available for that
1 development. 260

2 Now, where we have issues is obviously
3 in implementation. There's always someone who didn't
4 buy a tract that doesn't have land rights. So it's
5 always -- the issues for us is always just in
6 implementation.

7 So I don't necessarily think -- our
8 ombudsman now, I think, is learning that that's
9 really the issue. Our policies are very sound. Our
10 strategies in terms of how you do that are very
11 sound. The dowel is always in the details in terms
12 of how you implement.

13 So there's always the education
14 process of, you know, how many back-line property
15 owners understand those issues? How many of the
16 back-line property owners knew that when they

17 purchased the property? So it's really more just in
18 implementation.

19 The policy has been -- has really been
20 sound. I don't think we have really had a lot of
21 issues where people have said, you have got too much
22 open -- you have got too much land opened up for
23 residential development for access.

24 Really what we get is the people who
25 say, gosh, I think this tract ought to be opened up
1 for that. So it has set the boundary, I think, in 261
2 terms of, you know, where those access rights really
3 are.

4 MR. MICHAEL BUTLER: Do you find that
5 the greatest challenge to implementation is having
6 the financial resources to go get it done?

7 MS. BRIDGETTE ELLIS: No, I don't
8 think it's the financial resources. I think it's
9 just the order of magnitude of 11,000 miles of
10 shoreline. Then pockets of development, as they pop
11 up, are we concentrating the resources to effectively
12 look at those?

13 I think we have the resources. The
14 issue is you may have a brand-new subdivision on
15 Guntersville that we need to put additional resources

16 on and make sure that people who are purchasing
17 tracts, that they understand what their rights are
18 and aren't, but then you may have a slow time on
19 Wheeler.

20 So we can move our resources around
21 and effectively handle that. I don't think it's the
22 financial resources. It's just the order of
23 magnitude of trying to manage 11,000 miles of
24 shoreline, when only 38 percent of that people can
25 actually have access rights.

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1 FACILITATOR DAVE WAHUS: Peyton.

2 DFO MR. PEYTON HAIRSTON: Just to echo
3 what Bridgette said, Mike, I think it's the people
4 that want an exception to the policy more so than
5 implementation of the policy itself.

6 In my role I haven't seen anybody that
7 comes across and says, you know, hey, I don't
8 understand, you know, I disagree, you have too much
9 here, too much there, whatever. It's, no, okay, I
10 understand that, but I still want my dock, that's
11 what it comes down to.

12 MR. MICHAEL BUTLER: Don't bother me
13 with the facts, just give me what I want.

14 DFO MR. PEYTON HAIRSTON: Exactly.

15 I'm sorry to interject.

16 FACILITATOR DAVE WAHUS: No. Thank
17 you. Bruce.

18 MR. BRUCE SHUPP: Just another
19 question on that for Bridgette. When the Board
20 issued their new policy for 2006, 2007, how much
21 resistance did you get from local governments to
22 that, governments that say, hey, we're trying to
23 increase our tax base and you guys have now prevented
24 us from doing that.

25 MS. BRIDGETTE ELLIS: Well, I think,
1 again, that's just pockets of resistance where maybe ²⁶³
2 someone felt like they had something that they felt
3 they could, you know, ask for additional TVA land,
4 but for the most part there really hasn't been that
5 much. There really hasn't.

6 I mean, it's more of a local entity
7 where maybe someone felt like there might be more TVA
8 land that could go into a residential resort-type
9 development, but for the most part there really
10 hasn't been a lot.

11 MR. BRUCE SHUPP: But you say pockets,
12 were there pockets on some of the waters that --

13 MS. BRIDGETTE ELLIS: Yeah. If

14 you-all remember, you-all that were on the Council
15 when we did the land policy public hearings, there
16 were a couple of groups that truly wanted more land
17 opened up.

18 If you'll remember, on Watts Bar we
19 had the Rhea and Meigs County group that really and
20 truly wanted us to open up more land on Watts Bar.
21 So, yeah, we did have pockets of that where people
22 felt like we should open up more land for residential
23 developments, and it was -- that was primarily the
24 issue.

25 I think the industrial properties that
1 we have along the river, there really aren't that ²⁶⁴
2 many more tracts. We have developed most of those.
3 We have got a handful of those that can still be
4 developed.

5 MR. BRUCE SHUPP: Thank you.

6 FACILITATOR DAVE WAHUS: Okay. Now,
7 we're talking about land and shoreline strategy. Are
8 there any -- what are the key issues that we should
9 -- we want to make sure that TVA identifies or
10 addresses under land and lakeshore -- shoreline
11 strategy?

12 Okay. Let's go on then to natural

13 resources strategy or natural resource strategy.

14 Same question.

15 Jeff.

16 MR. JEFF DURNIAK: Dave, it sounds
17 like the current land management policy works well.
18 The shoreline management policy, I would just say to
19 maintain that policy.

20 FACILITATOR DAVE WAHUS: Okay.

21 MR. BRUCE SHUPP: Dave, I will add one
22 to that. I am going to pass it off real quickly.

23 FACILITATOR DAVE WAHUS: Okay. We
24 will stay with land and shoreline strategy. Go on.

25 MR. BRUCE SHUPP: I can relate this
1 back to things I did when working for New York 265
2 Conservation in the permitting business. One of the
3 key things that we had do at the state level was
4 support our regional offices in their tough decisions
5 to eliminate permits or resist or reject permits for
6 docks and beaches, and this type of thing.

7 So I would suggest that we want TVA to
8 support and train and maintain local stewardship
9 offices and permit analysis. I don't know what all
10 the terms it would be, but I would think that these
11 people that are on the ground have to deal with it up

12 front and first face-to-face.

13 The TVA rep really needs to have
14 support and training so they can master these
15 policies and master the understanding of the yes and
16 no for the local requests.

17 FACILITATOR DAVE WAHUS: And then I
18 heard you say that after they make a decision within
19 the framework that's been given to them in the policy
20 and the implementation guidance, that when there is
21 an appeal that the folks at the headquarters should
22 be supporting them.

23 MR. BRUCE SHUPP: Supporting or at
24 least adjudicating fairly. That goes back to initial
25 training, you shouldn't have to reverse many
1 decisions. You uphold them. If they are trained 266
2 right they will make the right decision the first
3 time, and then you uphold that decision. This to me
4 means that you have really got to support that local
5 style.

6 FACILITATOR DAVE WAHUS: Thank you.
7 Mike.

8 MR. MICHAEL BUTLER: I think that what
9 I am about to bring up has been dealt with by the
10 land policy, but it's still out there to some extent.

11 Prior to the land policy, and this may
12 still be going on, is that sometimes you had one --
13 the economic development department of TVA saying one
14 thing and the natural resources section of TVA saying
15 another thing, not so much different things but they
16 were in competing positions internally, and that got
17 out to the public.

18 The most recent one I can remember is
19 the Watts Bar example. You had different things --
20 and they were both doing their jobs as they were
21 supposed to do under their strategies at the time,
22 but it -- I think part of that strategy for land and
23 shoreline is heightened internal communication so
24 that you might not end up in a situation where you
25 had one field rep working with a local government to
1 run one then and another field rep being put in the 267
2 position of having to come in and rain on that other
3 side of TVA's parade with certain restrictions or
4 considerations under another policy.

5 That does not make for good fun for
6 local politics. Nor does it make for fun situations
7 for the Board when these decisions come before them
8 for a decision.

9 Like I said, I think the land policy

10 took care of a big part of that, but I think that the
11 opportunity still exists for that to happen again. I
12 think just having a little light shone on that just
13 so that there may be a tactic or some type of action
14 that could be internalized to TVA that the public
15 would never see but that we could help address that
16 would be good.

17 FACILITATOR DAVE WAHUS: Okay. Jean.

18 MS. JEAN ELMORE: My comment was
19 basically along the same lines. It's that they be
20 educated all on the same page and in the
21 communication aspect of it.

22 FACILITATOR DAVE WAHUS: Okay. Any
23 other comments? Then let's get those thumbs out
24 again, and we're going to identify whether you think
25 that it's a high emphasis, a medium or a low emphasis
1 should be placed on land or these issues under land 268
2 and shoreline strategies.

3 First is A, how activities on land
4 impact water. Everything that happens on land has a
5 direct impact on the watershed. Is that a high
6 priority, a low priority, a medium priority?

7 MR. BRUCE SHUPP: It's a statement
8 more than a direct recommendation.

9 FACILITATOR DAVE WAHUS: It is, but
10 it's -- I'm seeing mostly highs. So we will go with
11 high.

12 COUNCIL CHAIR MR. TOM LITTLEPAGE: Can
13 I -- I am sorry to kind of go back and digress a
14 little bit, but this point D that we have talked, I
15 mean, as we have talked about this, this is part of
16 implementing the strategic plan.

17 In accordance with TVA's mission, I am
18 assuming there's something similar going on with
19 regards to the power and economic development side.
20 I guess the question I would ask to maybe Anda or
21 someone on the staff, is there a concept where, as
22 Mike alluded to, under economic development there's a
23 planning process that would encourage the development
24 of resource considerations and economic developments?
25 In other words, is there a flip side on the other
1 aspect? 269

2 FACILITATOR DAVE WAHUS: Peyton, can
3 you address that?

4 DFO MR. PEYTON HAIRSTON: I think Anda
5 can.

6 FACILITATOR DAVE WAHUS: All right.

7 MS. ANDA RAY: There is a plan in

8 consideration. What it's tied to is in the strategic
9 plan for the very first time in this TVA strategic
10 plan that's in the front of your packet, it says,
11 economic development, in addition to jobs and the
12 quality of jobs and the load, they will also consider
13 not only the load profile to affect -- because it
14 affects the cost of power, but it will also include
15 the environmental footprint in its recruiting
16 efforts, that's the only official thing that's out
17 there right now.

18 So as John Bradley and Ken Breeden in
19 customer resources and economic development begin to
20 develop -- revise their economic development
21 strategy, especially in light of the fact that
22 getting more megawatts may not be the best thing for
23 the energy side, they will include the environmental.
24 There has been discussions on that, but there hasn't
25 been anything external yet.

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1 COUNCIL CHAIR MR. TOM LITTLEPAGE: And
2 I guess I was trying to figure out to what degree we
3 would put a statement in to make sure that we would
4 encourage that aspect, and it would be true in
5 economic development both and in capacity planning,
6 you know, looking at how TVA is going to meet future

7 load requirements.

8 MS. ANDA RAY: I would suggest that
9 you capture it here because theirs is environmental
10 footprint, you're talking more about the impact on
11 the natural resource management. So I would include
12 it.

13 FACILITATOR DAVE WAHUS: Let's err on
14 the side of giving too much information than not
15 enough. Do you want to follow?

16 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
17 guess economic development strategy, that's a good
18 way to say it, Bridgette.

19 FACILITATOR DAVE WAHUS: Okay. Jeff.

20 MR. JEFF DURNIAK: I am seeing two
21 themes emerge here. One is close coordination first
22 within TVA to send a consistent message, and I think
23 that's very important.

24 Along those lines, when you go outside
25 of the Agency it will be close coordination with the
1 states, but I think that's an important theme to 271
2 drive home everywhere in TVA is that close
3 coordination and a consideration of all disciplines.
4 Whether you're in economic development or natural
5 resource management, both disciplines need to be

6 considered before a message goes out to the public or
7 to customers. So I would reinforce that.

8 I would like to get back to what Mike
9 said. I think that's what -- the main point I have
10 gathered in these two days and the challenge to TVA
11 is to say, this is an ecosystem-based business and
12 there's some pushing around the edges as we start to
13 talk about sustainability and get that into business
14 planning.

15 I would like to see the Council try to
16 promote that and have some kind of strategy statement
17 to say, this is an ecosystem-based business. Based
18 on our land and our water, these are the products and
19 services that TVA can provide.

20 I would think that would be
21 overarching and possibly a debate inside TVA's
22 business community. But if TVA is going to continue
23 to lead, can you put that term ecosystem based in
24 front of everything you do? I would just present
25 that as a challenge.

1 FACILITATOR DAVE WAHUS: Okay. Did we 272
2 capture it up there? The last one, did we capture
3 your thought?

4 Mike.

5 MR. MICHAEL BUTLER: We talked
6 yesterday about -- I think in our afternoon session
7 about the use of TVA lands for biofuel
8 experimentation, and I think we've brought up the
9 idea of using the opportunities TVA may have to
10 provide the public with a really good research
11 program that could look at how you integrate, say,
12 wildlife management with biofuel production
13 management for things like native grasses was the
14 example given.

15 I would also like -- as part of the
16 land and shoreline strategy, I think it would be
17 important to include that concept here in terms of
18 kind of living classroom research opportunities on
19 TVA land, and that would be the first item.

20 And then the second item would be
21 finding creative ways to generate revenue based upon
22 ecologically sound business models. And what I am
23 getting at specifically there is, can we not look at
24 the 290 -- not all of it, but can we look at a
25 portion of it, and if you have carbon sequestration,
1 why couldn't TVA sell credits for the forest lands
2 they own and then use that to generate revenues to
3 put back into the natural resource management

4 programs?

5 I want to be real specific in saying
6 ecologically sound business plans. I mean, what I
7 don't want to see happen is they say, oh, we have
8 this base of land to -- I mean, we just came out of
9 an era in the '90s of a different group of leaders
10 saying, this land is of value. So we need to go
11 either develop it or sell it, that was one way to
12 look at it.

13 Now, the pendulum has swung pretty
14 much to the middle, maybe a little bit the other way,
15 and now I think it's incumbent on us as a group to
16 maybe say, there's value -- there's inherent value
17 and economic value in keeping these lands in a
18 sustainable state. As far as management from our
19 organization's perspective is a sustainable type of
20 activity that can produce multiple benefits.

21 So that concept being put in there of
22 they could really lead with the biofuel example and
23 the carbon example. Could they really lead and show
24 other people how to do it and at the same time
25 generate a little revenue to put back into the
1 programs so that they could enhance the programs?

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2 FACILITATOR DAVE WAHUS: Okay. Thank

3 you. Any other comments? Any other additions?

4 Yes, sir.

5 MR. GEORGE KITCHENS: I guess I just
6 want to argue with Mike. I haven't done it yet
7 today.

8 Mike, great ideas, but I will tell you
9 that the power system has to pay for it. Should we
10 have to get into the mode of carbon capture and
11 sequestration in the power side of the business,
12 that's going to cost money, too.

13 If we're going to use the sale of
14 carbon credits, I would love to see it subsidize the
15 cost of carbon capture and sequestration to the
16 extent we have to do it on the power side of the
17 operations to keep our power rates a little more
18 affordable.

19 Right now I would -- and without any
20 knowledge, I would venture to say that the 290,000
21 acres that we have got that potentially a portion of
22 which could be used for carbon capture wouldn't even
23 scratch the surface of TVA's carbon footprint. So I
24 doubt if there would be excess credits available.

25 If there are credits out there, they
1 are going probably to be absorbed within the TVA

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2 system rather than being available as a marketable
3 resource organization.

4 MR. MICHAEL BUTLER: He's led me right
5 to where I want to go.

6 MR. GEORGE KITCHENS: I'm sorry.

7 MR. MICHAEL BUTLER: Part of the
8 strategy, I think it behooves us to ask TVA to come
9 to -- and they may not want to do this, but develop a
10 plan to start -- it's been ten years. It's time to
11 start looking at getting some federal money back to
12 help pay for part of these services we're providing
13 the general public.

14 There are other entities that get
15 money from the federal government that are similar to
16 TVA to go do these things that have general public
17 benefit. This has been the debate we have had all
18 along. With the pressures that are coming, things
19 are going to -- the apples are going to start falling
20 off the trees, something is going to have to give,
21 and I don't want to see it be these things we're
22 talking about here.

23 So maybe that could provide a unique
24 opportunity to develop a real strategy and a plan
25 that -- I mean, none of this stuff happens easy. I

1 mean, it may take a five-year approach to going and
2 doing that, but I think it's important.

3 I think that the public -- I think the
4 public's level of alertness about the environment and
5 about getting outside and all of these different
6 things are continuing to grow, that even builds the
7 case stronger. I will throw that out on the table
8 for a response.

9 FACILITATOR DAVE WAHUS: Keeping in
10 mind, you're giving advice, we will put that up there
11 as well.

12 Okay. Is there any other additions or
13 key issues?

14 Then let's quickly move on. The
15 reason we didn't stop for the public involvement
16 effort is because no one indicated an interest in
17 providing any public input. So that's why we
18 continued past the 9:30 point here.

19 MR. BRUCE SHUPP: I was hesitating to
20 give another question because I knew you were up
21 against that time frame, but I would like to ask a
22 question relating to Mike's comment.

23 FACILITATOR DAVE WAHUS: Okay.

24 MR. BRUCE SHUPP: Since now that the

25 Board is saying that there's a three-pronged
1 approach, energy, economic developments, and 277
2 environment, has this enhanced the priority of the
3 environmental programs and the stewardship programs
4 in the eyes of the Board and of the executive
5 committee of TVA?

6 Does that mean that although there's
7 been very fierce competition for the funds since the
8 appropriations disappeared, will that be less -- will
9 the environmental programs compete better now and can
10 we think that recommendations for enhancing the
11 environmental programs can be funded from existing
12 funds?

13 MS. BRIDGETTE ELLIS: Well, first,
14 remember that Congress directed us to do this. Okay.
15 So TVA is sitting here and we have been told that we
16 need to fund all of those essential stewardship
17 activities from power proceeds, other revenues, et
18 cetera. So that's been the task that the Board and
19 executives have been on.

20 I will say from my experience, and I
21 have been through the gamut because I have been here
22 since '79, that it is much more clear and easier to
23 put your business plans together, put your

24 performance matrix together, develop long-term plans
25 with your partners, because you're not waiting to see
1 what the appropriation levels will be. 278

2 In other words, those of you may not
3 know, the budget -- the federal budget was approved
4 last night for '08. So I would have been sitting
5 here trying to figure out how much money I should be
6 working on, holding up projects because you don't
7 want to extend long-term projects because you don't
8 know if your budget is going to be this or this or
9 where it's going to be.

10 So I would say we have got more
11 stability and more support now because, yes, I
12 compete every single day for O&M dollars and for
13 capital dollars, but if I make my business case and
14 it aligns with the strategic plan we're still moving
15 on.

16 We haven't, to any detriment to the
17 programs, lost more money. In fact, our monies have
18 stayed essentially the same or at least at
19 cost-of-living, cost-of-inflation kind of numbers.

20 I am under the same budget pressures
21 as the fossil plants are. In other words, the whole
22 company comes to, you know, the same conclusions that

23 we need to be able to be more efficient at what we
24 do. Our processes needs to be more efficient. So I
25 am still held to those same requirements. In other 279
1 words, I don't get a pass because I am in the
2 stewardship arena.

3 MR. BRUCE SHUPP: Let me restate that
4 then. Is the Board's new priority, making the
5 environmental program one of the three energy -- one
6 of the three main key areas of the program, is that
7 going to make it easier for you to compete internally
8 with the company?

9 MS. BRIDGETTE ELLIS: It doesn't make
10 it easier and it doesn't make it harder. It's still
11 the same.

12 I mean, I think the Board recognizes
13 that we need to have a balanced three-prong mission.
14 So they know that and they know how essential that is
15 to the quality of life in the Valley. So it's not
16 making it any harder on me or any easier on me. I am
17 still under the same rules as anyone else in the
18 company. So I would say that, you know, we're in as
19 good a shape or better shape than we would have been
20 if we were on appropriations.

21 I don't know if I am answering your

22 question.

23 MR. BRUCE SHUPP: No. I want to know
24 if you're in as good a shape or better shape than you
25 were three years ago when you still didn't have any
1 appropriations but before the Board said that 280
2 environment is one of our three key areas.

3 MS. BRIDGETTE ELLIS: Well, if you
4 look at it that way, then I would say I am in much
5 better shape because now I have an established land
6 policy that clearly directs the watershed teams in
7 terms of how they look at future uses of those lands
8 for those things that we have that responsibility
9 for. We're still maintaining a lot of our water
10 quality responsibilities. So, yeah, I would say I am
11 probably in better shape.

12 MR. BRUCE SHUPP: Therefore,
13 recommendations made by the Council that would call
14 for some enhancement of program have a better chance
15 of going forward than they would have in the past?

16 MS. BRIDGETTE ELLIS: Sure. But
17 again, I am in the same constraints as anyone else.
18 So I will take that advice and then I will try to
19 balance that, along with all of the other business
20 requirements that we have.

21 MR. BRUCE SHUPP: Thank you.

22 FACILITATOR DAVE WAHUS: Thank you.

23 Okay. Let's move along. Is there anything you want
24 to add here?

25 Let's move along and identify whether
1 you think that these are the relative emphasis that 281
2 should be provided to each of these key issues under
3 land and shoreline strategy.

4 Again, I remind you a high, a medium,
5 and a low. A: How activities on land impact water,
6 we did that one. Okay. Thank you. That's another
7 reason you're here to help me out.

8 Okay. Maintain existing shoreline
9 management policy. I have got a high.

10 C: TVA should support, train, and
11 maintain local stewardship offices for permit
12 analysis, et cetera, to let staff master the policies
13 and provide answers to the local. Well-trained local
14 staff to make the right decision the first time and
15 reduce appeals to the headquarter's staff.

16 High, medium or low emphasis? I am
17 seeing more high.

18 Okay. Heightened internal
19 communication and education between organizations,

20 i.e., economic development staff and environmental
21 stewardship staff to provide consistent decisions to
22 public requests. Everybody is high.

23 Consider natural resource impacts in
24 economic development strategy. High? Low? Medium?
25 You have got to decide one way or the other.

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1 MS. CATHERINE MACKEY: Come on,
2 George.

3 FACILITATOR DAVE WAHUS: High. This
4 is an ecosystem-based business. Based on land and
5 water, there is a set of services that TVA can
6 provide. High? Medium? Low? I'm seeing more high
7 than medium.

8 Use lands -- TVA lands as a living
9 classroom to provide research opportunities on
10 biofuels, et cetera. Medium.

11 Find creative ways to generate revenue
12 base on ecologically sound business plans. Could TVA
13 use a portion of its reservoir lands to sell carbon
14 credits and then use the revenue to support and
15 enhance natural resource programs. High? Medium?
16 Low? We have got three different directions here.
17 So let's hang on a minute. It looks like the medium
18 is going to buy that one. We had everything from

19 high to low on that one.

20 Thank you.

21 MR. MICHAEL BUTLER: Dave.

22 FACILITATOR DAVE WAHUS: Yes, sir.

23 MR. MICHAEL BUTLER: G does not
24 capture exactly what I was intending.

25 FACILITATOR DAVE WAHUS: Let's fix it
1 and then we will revote. 283

2 MR. MICHAEL BUTLER: The only thing I
3 would add to it is opportunities on bio -- provide
4 research opportunities on biofuels and their
5 integration with ecological -- their integration with
6 wildlife habitat, if you just want to include that.
7 That's only one example. There's several others you
8 can use.

9 The idea is that if you want to do
10 research on biofuels, that's a very different thing
11 than if you want to do research on how you can grow
12 biofuels and provide other services at the same time.

13 FACILITATOR DAVE WAHUS: Okay. Okay.
14 Now, pardon me?

15 MS. CATHERINE MACKEY: Revote.

16 FACILITATOR DAVE WAHUS: Should that
17 be high, medium or low?

18 MR. BRUCE SHUPP: Could I add an
19 amendment to that?

20 FACILITATOR DAVE WAHUS: Sure.

21 MR. BRUCE SHUPP: Offer TVA lands to
22 universities and/or private companies to do research.
23 Instead of TVA doing it, cooperate with universities
24 or private companies to do the research. Then it
25 doesn't cost anything.

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1 FACILITATOR DAVE WAHUS: Okay.

2 MR. GEORGE KITCHENS: Bruce, I would
3 like it better if we were restricting -- I mean, we
4 need to be very careful that we're not introducing
5 non-native species to the area from what -- I mean, I
6 just get a little frightened if you open it up to a
7 lot of people for research, then we may wind up with
8 more kudzu or something like that that's not
9 exactly --

10 MR. MICHAEL BUTLER: You could say
11 native biofuels.

12 MR. GEORGE KITCHENS: Yeah. Let's do
13 native biofuels. I don't want more kudzu.

14 FACILITATOR DAVE WAHUS: Okay. High,
15 medium or low? It looks like more a medium.

16 Okay. Let's go then to natural

17 resources strategy. We're scheduled for a break at
18 what time? 10:30.

19 COUNCIL CHAIR MR. TOM LITTLEPAGE: At
20 10:30.

21 FACILITATOR DAVE WAHUS: Do you want
22 to wait until 10:30 or do you want to take about a
23 15-minute break now?

24 Okay. Do you mind if we take a
25 15-minute break now?

1 COUNCIL CHAIR MR. TOM LITTLEPAGE: No. 285
2 We will do that.

3 FACILITATOR DAVE WAHUS: Let's come
4 back at five minutes after 10:00, please, and we have
5 two more areas to cover.

6 (Brief recess.)

7 FACILITATOR DAVE WAHUS: Let's get
8 started. Beth, would you see if there's any members
9 out there?

10 COUNCIL CHAIR MR. TOM LITTLEPAGE: All
11 right. Lasso them and bring them back in.

12 FACILITATOR DAVE WAHUS: The question
13 was just asked, how many is a quorum, and a quorum is
14 11. So we're still in good shape. I see a couple of
15 folks here that -- so we have a couple more that will

16 be coming back in in a minute.

17 MR. JEFF DURNIAK: I've got two
18 thumbs, David.

19 MR. BRUCE SHUPP: We just barely have
20 a quorum.

21 MR. GEORGE KITCHENS: You're just not
22 going to get super delegate status.

23 FACILITATOR DAVE WAHUS: The next
24 focus area is natural resource strategy. Now, we're
25 going to be identifying key issues. I am going to be
1 asking you to identify key issues. 286

2 Keep in mind, if you look at question
3 No. 3 we're going to come back to natural resource
4 strategy and we're going to be asking a little bit
5 different question. We're going to be asking, how
6 can TVA improve the draft natural resource strategy.

7 So there's two different questions.
8 What are some of the key issues and then how can --
9 and we don't want to -- if we can keep them from
10 getting mixed up and from getting into how can we
11 improve the strategy as we look at the key issues and
12 hold that information, great.

13 If you start getting confused, we will
14 ask Buff to help us get unconfused. Notice that TVA

15 has left Buff all by herself to sit here.

16 MS. CATHERINE MACKEY: Way to go,
17 Buff.

18 COUNCIL CHAIR MR. TOM LITTLEPAGE: All
19 right. Turn around and show us that target.

20 FACILITATOR DAVE WAHUS: We have two
21 focus areas now that we have to examine, and then we
22 will ask again if there's any additional ones. So
23 let's move on.

24 Under the natural resource strategy,
25 are there -- what are the key issues? Are there any
1 key issues that you would think that they should²⁸⁷
2 address, TVA should address?

3 I'm sorry. Tom.

4 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
5 think TVA -- the challenge for TVA is to begin to
6 educate and articulate the growing pressures that
7 will be placed on the resources in the Valley,
8 including population growth, including how -- or how
9 much additional capacity development they are
10 projecting to need and how those issues will
11 translate into intensity pressures on the existing
12 resources.

13 FACILITATOR DAVE WAHUS: Okay.

14 Excellent. Any others? Any other key issues?

15 Yes, Wes.

16 MR. WES ROSENBALM: Dave, I am not
17 certain this goes in this category, but it's just a
18 general question.

19 As I was looking through this stuff
20 last night, one of the things that jumped out to me
21 is the comment, I don't know where this plays in, but
22 the carbon sinks by growing certain trees. I thought
23 back to what we do in Bristol.

24 Typically when we take a tree down, we
25 have a trade-out program. We give a person a dogwood
1 back because a dogwood only gets so high and it 288
2 doesn't get in your electrical lines.

3 With some kind of education on if
4 there's a different tree that we could use that's
5 better for the environment, I think, would be a good
6 educational process for the distributors to know. I
7 am not sure it belongs here. That's just a general
8 comment, but education on that would help certainly.

9 FACILITATOR DAVE WAHUS: So education
10 on plant species?

11 MR. WES ROSENBALM: Because a dogwood
12 may not be the best solution.

13 FACILITATOR DAVE WAHUS: Is that just
14 for distributors to plant or the distributors or
15 anyone?

16 MR. WES ROSENBALM: Whatever TVA
17 thinks is appropriate there. They just have to keep
18 in mind that we've got height restrictions. So you
19 have got height and environmental issues there.

20 FACILITATOR DAVE WAHUS: Any other
21 issues?

22 Yes, Jeff.

23 MR. JEFF DURNIAK: I would like for
24 Bruce's comment about support for the field offices
25 to be included here. I would actually change that to
1 say, support and enhance field office operation. 289

2 MS. CATHERINE MACKEY: Like that?

3 FACILITATOR DAVE WAHUS: Do you want
4 the word maintain left in there or do you want to
5 replace maintain?

6 MR. JEFF DURNIAK: I will let you
7 wordsmith. I am wondering about enhance. Really I
8 am thinking restore. We had more TVA field offices
9 in the '80s than we do now, the best I understand. I
10 wonder if restore would capture that thought a little
11 better.

12 FACILITATOR DAVE WAHUS: Any others?

13 MR. GEORGE KITCHENS: That would
14 increase the carbon footprint though, Jeff.

15 MR. JEFF DURNIAK: We will mitigate
16 with dogwood trees.

17 MR. GEORGE KITCHENS: I have an idea,
18 a TVA field treehouse.

19 FACILITATOR DAVE WAHUS: Keep that
20 energy going, folks. Are there any other issues?

21 MR. MICHAEL BUTLER: I'd like them to
22 have a Bradford pear eradication program.

23 FACILITATOR DAVE WAHUS: Any other
24 issues?

25 MR. MICHAEL BUTLER: This is an
1 internal question to some of the distributors at the 290
2 table with us that may lead to something to put under
3 there.

4 Is there a -- is there a need at your
5 level of business model for TVA to help think through
6 environmental policy at the distributor level?

7 Would it help with your customer base?

8 Would it help with education?

9 Would it help with application?

10 And this is just really stepping into

11 my level of ignorance as to actually what the details
12 of y'all's business models are, but is there something
13 we're missing at the next hierarchy or level just
14 below production of power and the transmission system
15 TVA does to helping the distributors meet some of the
16 challenge they have in communicating or
17 programmatically or otherwise?

18 MR. GEORGE KITCHENS: Yes. Right now,
19 and I guess Mike and I have talked a little bit about
20 this, distributors are sort of a group that are
21 caught in the middle of everything that TVA is trying
22 to do with developing efficiency programs and
23 environmentally sensitive things.

24 Distributors get paid by the volume of
25 kilowatt hours that get sold to the end-use customers
1 right now. Efficiency programs have the potential
2 impact of -- on us of having us try to figure out how
3 to cope with having less dollars to manage our
4 businesses with right now. They are skinny dollars
5 to start with.

6 Most of us, of an energy dollar that
7 we collect every month, send 70 -- if it's \$1, send
8 .75 to 80 cents of that dollar to Knoxville. So
9 we're operating our systems on 20 or 25 cents of that

10 energy dollar.

11 The people that make out right now off
12 of any efficiency program that is being developed are
13 the end-use consumers because they pay less for power
14 than they would otherwise. TVA benefits by not
15 having to come up with the capital dollars to build
16 new power plants, new transmission lines. So there
17 are savings there, but there is zero in it for power
18 distributors.

19 There are also restrictions on what we
20 can do with the electric revenues that we collect
21 from people. TVA won't let us just invest in
22 something that is not really pretty Corps related to
23 electric system operations. So right now I don't
24 know what the answers are, but there's not a lot in
25 there for us to benefit from.

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1 Advertising dollars-wise, yes, we can
2 tag on with TVA to promote efficiency, but the dollar
3 we spend for advertising doesn't have a place to get
4 replaced if we're selling less power. It's a real
5 catch-22.

6 MR. MICHAEL BUTLER: So here would be
7 the one I would add then, examine ways to incentivize
8 distributors to take advantage of TVA's conservation

9 programs, incentivize it, make it worth their time,
10 worth their money, worth their effort, make it worth
11 their bottom line, make it valuable to their bottom
12 line. I don't know the answer either, but I am a
13 firm believer that until we really sit down and try
14 to chop that baby up and look at it really, really
15 hard, and I am sure some people have put --

16 MR. GEORGE KITCHENS: I don't think
17 they have yet, Mike.

18 MR. MICHAEL BUTLER: Well, then we
19 need to, in my opinion, because that only helps drive
20 what they're trying to do better to the consumer. So
21 it should be a benefit to them again in the same way
22 you just described. It should help multiply that
23 benefit potentially.

24 FACILITATOR DAVE WAHUS: Does this
25 capture your thought?

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1 MR. MICHAEL BUTLER: Yes.

2 FACILITATOR DAVE WAHUS: Okay. Very
3 good. Thank you. Tom.

4 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
5 guess I had thought about this before. There is
6 really no difference in looking at the energy
7 distributor versus the water suppliers in the Valley.

8 They have the same issues.

9 In other words, they have a fixed
10 revenue load that they have to maintain. So by
11 selling less water they reduce the revenue. As
12 Georgia alluded to, there's a benefit to the end user
13 and there's a benefit to TVA, but the load is left on
14 that water supplier who has to carry the financial
15 burden with reduced sales.

16 So this is a broader topic in terms of
17 trying to incentivize conservation concepts both on
18 the power and the water side.

19 FACILITATOR DAVE WAHUS: Did you say
20 water and power distributors?

21 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
22 think so.

23 FACILITATOR DAVE WAHUS: Would that
24 broaden it?

25 MR. MICHAEL BUTLER: This is not
1 anything to amend what Tom just said, other than to 294
2 point out, the infrastructure and the capital is not
3 in place to take advantage of the water yet. The
4 distribution decision-making tree for water
5 distribution in the State of Tennessee is the most
6 amazing conundrum of realities that I have ever seen

7 in my life.

8 The problems there are dwarfed or are
9 dwarfing the problems and other things. We have a
10 lot of work to do in the State of Tennessee, but I
11 think it's a good point to raise that because I
12 think -- I think we will eventually be exactly where
13 Tom is saying where they will have to manage water
14 much tighter as far as human use and distribution,
15 and I think you're going to start to see some of that
16 start to happen on the Southern Cumberland Plateau
17 just out of Chattanooga because of the growth
18 pressures there.

19 FACILITATOR DAVE WAHUS: Okay. Thank
20 you. Buff.

21 MS. BUFF CROSBY: Can I ask for
22 clarification on D? When you are talking about TVA's
23 conservation programs, are you referring to energy
24 conservation or natural resource conservation
25 programs?

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1 MR. MICHAEL BUTLER: I would say both.
2 I understand that the natural resource conservation
3 program is going to be a much weaker link, but if it
4 could help -- if there are ways in which the
5 distributors could help the utilities, even if it's

6 just education, and it may not be -- that may be a
7 pie-in-the-sky thing. It may just be easier just to
8 go around. It doesn't fit as well in the model.

9 I think the first thing is energy
10 conservation, but if there are opportunities for
11 natural resource conservation then, yes, but focus
12 primarily on energy conservation.

13 FACILITATOR DAVE WAHUS: Okay. Thank
14 you. Any other issues?

15 COUNCIL CHAIR MR. TOM LITTLEPAGE: On
16 A, I guess, I would amend my statement. Just to make
17 sure that we're talking about within the next 10 or
18 15, 20 years, but basically it's to educate the
19 stress on the resources based on the known or highly
20 anticipated growth expected to occur,
21 near-term growth.

22 I mean, this isn't some pie-in-the-sky
23 way out. We know, with some degree of certainty,
24 what's going to happen in the next 10 to 20 years.

25 FACILITATOR DAVE WAHUS: Thank you. 296
1 Mike.

2 MR. MICHAEL BUTLER: Tom, I would ask,
3 can with take the water and make it a separate item?

4 COUNCIL CHAIR MR. TOM LITTLEPAGE: And

5 maybe that would be a better thing to do.

6 MR. MICHAEL BUTLER: It refers to the
7 power distributors, and that is just a disconnect.
8 Instead of power distributors there you could say
9 utility districts, even though -- just so y'all know,
10 there is no connection between TVA and local utility
11 districts for water that I am aware of.

12 FACILITATOR DAVE WAHUS: So you want
13 that one and then you want to state it again with
14 power distributors?

15 MR. MICHAEL BUTLER: State it again
16 for water and change power distributors to utility
17 districts.

18 FACILITATOR DAVE WAHUS: Okay. Does
19 that satisfy -- which one comes first?

20 MR. MICHAEL BUTLER: Change energy to
21 water in the first one.

22 COUNCIL CHAIR MR. TOM LITTLEPAGE: To
23 delete resource conservation. No, that one you need
24 to maintain resource. Then in the other one you say
25 energy conservation.

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1 MR. MICHAEL BUTLER: There you go.

2 Okay.

3 FACILITATOR DAVE WAHUS: Okay. Tom?

4 Mike? Any others? Okay. Let's get our thumbs out
5 again.

6 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
7 don't know where this is, but as part of a
8 broad-based strategy, I guess what I would throw out
9 there is that I think TVA is involved but we would
10 encourage the involvement in -- there is a federal
11 effort looking at what's called a water energy nexus,
12 and I don't know a better way to sort of explain
13 that.

14 The relationship between the energy
15 production and use and water availability, that we
16 need to encourage TVA to actively participate in this
17 water energy research that's going on and
18 understanding implications of how energy impacts
19 water or water availability impacts energy in terms
20 of maintaining sort of a cutting-edge awareness of
21 these implications on power.

22 FACILITATOR DAVE WAHUS: Okay. Any
23 other issues? Last call? Okay. Let's go to the
24 first run.

25 A: Educate and articulate the stress
1 on resources based on the known or expected near-term
2 growth 10 to 20 years in the Valley. Population

3 growth, load growth, and potential impacts on the
4 resources. Is that a high, medium or low? Should
5 that be given a high, medium or low emphasis? For
6 those that are voting I'm seeing only high so far.
7 More than half is high.

8 B: Education on tree plantings for
9 distributor. In replanting trees, is there a species
10 that a distributor should use that would be better
11 for the environment or better for the area? High
12 medium or low? Mostly high. Pretty close there.

13 TVA should restore and support
14 training and enhance local stewardship offices for
15 permit analysis, et cetera, to let staff master the
16 policies and provide answers to local requests. Well
17 trained local staff can make the right decision the
18 first time and reduce appeals to the headquarter's
19 staff. High, medium or low? I see more high than I
20 see medium or low.

21 Examine ways to incentivize utility
22 districts, is that a new word, to take advantage of
23 TVA's natural resource conservation programs. High,
24 medium or low?

25 Yes, sir.

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1 MR. BILL TITTLE: Do they pay for

2 water that they take out of the system? The water
3 utility districts, do they pay for the water?

4 COUNCIL CHAIR MR. TOM LITTLEPAGE: My
5 understanding is no.

6 FACILITATOR DAVE WAHUS: Buff.

7 MS. BUFF CROSBY: If it is in the
8 system in the Valley in the watershed, no, they do
9 not pay for it. If it's out of the Valley, yes.

10 MR. BILL TITTLE: Okay.

11 MR. BRUCE SHUPP: Who do they pay?

12 MS. BUFF CROSBY: TVA.

13 FACILITATOR DAVE WAHUS: High, medium
14 or low? I see some high, some more high. I see more
15 high than anything else.

16 Examine ways to incentivize power
17 distributors to take advantage of TVA's energy
18 conservation programs. High, medium or low? Again,
19 I see mostly high.

20 The last one, encourage TVA's active
21 participation in water and energy nexus research.
22 Maintain a cutting-edge awareness of implications of
23 water issues on power production. High, medium or
24 low? I see mostly high.

25 Thank you. Okay. Let's go to the

1 recreation strategy. The focus area is recreation
2 strategy.

3 MR. BRUCE SHUPP: How about No. 3?
4 Stay on natural resources.

5 FACILITATOR DAVE WAHUS: Do you want
6 to go to No. 3 and then come back to recreation
7 strategies?

8 MR. BRUCE SHUPP: I have a simple
9 recommendation that would clean that up.

10 FACILITATOR DAVE WAHUS: Is that okay
11 with everybody, that we will go to No. 3 and we will
12 address ways that the natural resources -- how to
13 improve the draft natural resource management
14 strategy and then we will come back to the recreation
15 focus area?

16 Okay. Let's go to No. 3. How can TVA
17 improve the draft natural resource management
18 strategy?

19 Bruce.

20 MR. BRUCE SHUPP: Natural resource
21 management strategy and the recreational strategy
22 policy are really well done and they are thorough.

23 What I would suggest for ease of
24 understanding is to pull objectives one and two out

25 of the natural resource management strategy and put
1 it into the recreational policy because it's all 301
2 recreation based and have the only mention of
3 recreation in the natural resource management
4 strategy just be focused on managing impacts of
5 recreation on TVA lands.

6 Do you follow that?

7 FACILITATOR DAVE WAHUS: I think so.

8 MR. BRUCE SHUPP: Just take the
9 recreation strategies and the public use strategies
10 out of management and put them in the recreation
11 strategies and have the only mention of recreation in
12 the natural resource strategy managing the impacts of
13 the recreation of the land. Like the off-road
14 vehicle impacts and hiking and camping and littering,
15 all of that, that's the impact. It's not the
16 recreation itself. That would be covered under other
17 strategies.

18 FACILITATOR DAVE WAHUS: Okay.

19 MR. BRUCE SHUPP: That's strictly a
20 bookkeeping thing to make it read easier for -- I
21 mean, it would be the same activities but just under
22 a different heading.

23 FACILITATOR DAVE WAHUS: Okay. Any

24 other responses to how can TVA improve the draft
25 natural resource strategy?

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1 Tom.

2 COUNCIL CHAIR MR. TOM LITTLEPAGE: And
3 I guess given that, you know, we're sort of blending
4 in terms of discussion between recreation strategy
5 and the comments associated with the draft natural
6 resource management strategy.

7 This strategic objective No. 1 that
8 talks about advertising the value of being outdoors,
9 I guess I have a recommendation that TVA look at
10 trying to highlight low impact recreation
11 opportunities.

12 In other words, if you're going to
13 advertise the advantage or the beauty of these
14 resources and encourage people to take advantage of
15 it, you want to do so in a way that doesn't create
16 problems in managing it when people respond to that
17 sort of message. So maybe you emphasize lower impact
18 activities, observation areas or hiking trails or
19 something that's more readily controllable.

20 FACILITATOR DAVE WAHUS: The highly
21 impacted bird watching as we heard yesterday, the
22 impact of the high economic values of bird watching.

23 COUNCIL CHAIR MR. TOM LITTLEPAGE: And
24 I think to piggyback on what Mike has raised, look at
25 opportunities to generate revenue from some of that.
1 I know that's a very difficult kind of issue, but are
2 there some low-hanging fruit with regards to the
3 ability to generate some degree of revenues to help
4 offset some of these management costs associated with
5 these resources?

6 I don't know that it needs to directly
7 mean we pay for people to take advantage, but just
8 look and see and be open to exploring opportunities
9 for helping to generate revenues to support these
10 activities.

11 FACILITATOR DAVE WAHUS: Okay. Mike.

12 MR. MICHAEL BUTLER: I have a
13 question, I guess, that would be best directed to
14 Buff.

15 Is the -- what has y'all's cost
16 analysis shown in terms of what it costs TVA to
17 manage informal recreation versus more formalized
18 recreation?

19 Can you elaborate a little bit in
20 terms of -- I know there's a cost to informal
21 recreation management. A lot of it has to do with

22 enforcement and probably keeping up.

23 Give me a feel, if you could, to
24 contrast and compare those two and what the costs
25 are, we have heard some of the challenges, but what
1 the costs are and build -- I guess I am going where 304
2 Tom started in saying if you do promote informal,
3 does it save you money and still provide something
4 that I think a lot of people are looking for and how
5 do we get there?

6 MS. BUFF CROSBY: Yeah. I don't know
7 that I can really give you a total breakdown of the
8 cost differences. Maybe I could talk to what we do
9 at, say, a formal site versus an informal or
10 dispersed site.

11 A formal site would be -- you know, in
12 my mind would be those -- one of our TVA managed
13 campgrounds where we would charge a fee for them to
14 stay there. The costs for us would be that general
15 O&M cost of maintaining the bathrooms, maintaining
16 the showers, keeping the trash cleaned up, having
17 somebody on-site to collect the fees, those would be
18 that type of costs.

19 For an informal site it depends on how
20 much use it's getting. As it gets more and more use,

21 we might come in and put a porta-john in that area
22 and we might send a contractor in to pick up trash on
23 a weekly basis. A lot of that we would actually try
24 to find partnerships.

25 Around Watts Bar we work with the 305
1 local counties. We will kind of split the costs with
2 them to go in and pick up the trash and kind of help
3 maintain those areas. So in reality an informal site
4 is a lesser cost for us than a formal site but it --
5 to give you an exact cost, you know, I am not sure.

6 MR. MICHAEL BUTLER: Even considering
7 the income you gain off of the formal sites?

8 MS. BUFF CROSBY: When we look at it
9 from that standpoint we can offset -- pretty much
10 most of our formal sites we offset that costs,
11 maintenance costs, yes, we would offset that with
12 some revenue generation.

13 We haven't thought about, and it
14 probably is something we need to think about, do we
15 start looking at fees at some of those heavily used
16 dispersed sites. I don't know if I really answered
17 the question.

18 MR. MICHAEL BUTLER: That answered it
19 exactly.

20 FACILITATOR DAVE WAHUS: Thank you,
21 Buff.

22 MR. JEFF DURNIAK: Buff, I think your
23 strategy tried to align your management actions with
24 your land classification system.

25 So you called -- this is page 3 of the
1 strategy. You called your -- the majority of your ³⁰⁶
2 lands natural resource conservation and you had
3 dispersed recreation in it, and that created this
4 situation that Bruce is trying to resolve by saying
5 put all of the recreation together.

6 Considering your land classification
7 system, call recreation developed recreation because
8 those are the intensive sites. What those pie charts
9 infer is that the only recreation is on those
10 recreation lands, 23,000 acres. So consider calling
11 that developed recreation.

12 On your other lands call those natural
13 resource conservation/dispersed recreation. Then
14 that way maybe a recreation plan can bring in all of
15 those lands, developed rec, as well as dispersed
16 recreation. So one thought on how to organize it.

17 The second thought, I will be a little
18 bit of a contrary in here, instead of us worrying a

19 lot about emphasizing low impact activities, when we
20 look at the relative natural resource impacts of
21 recreationist, they are very low. My main concern is
22 that this society is in front of a computer at home
23 and not getting out anymore.

24 We ought to manage for and encourage
25 normal resource participation and deal with the 307
1 impacts so that people themselves are natural
2 resource based in their thinking and their actions.
3 If they stay in front of the computer, folks are not
4 going to care about clean land or clean water. We
5 actually need to get them out more to deal with the
6 impacts, and those impacts on the grand scale of
7 things compared to a four-lane highway, a hiking
8 trail, those impacts are very low. That's my
9 editorial.

10 FACILITATOR DAVE WAHUS: Thank you
11 very much, Jeff. Mike.

12 MR. MICHAEL BUTLER: I'd just build on
13 one thing Jeff was talking about. Those words are
14 important in his first point. So I want to point out
15 that I think we talked about it. I think it builds
16 expectations of the public. I know that we have had
17 to deal with those expectations of when they read one

17 hit on this a little bit, but last night when I was
18 reading over this, the thing that -- on your
19 dispersed sites you might want to consider something
20 like the National Park System does where you have to
21 have a permit and you run the risk of running into a
22 ranger without the permit, and I don't even know what
23 the consequences of that are, but I would put one in
24 for your dispersed systems. Even if it's you want to
25 get down to riding horses on the land, things of that
1 nature. 309

2 FACILITATOR DAVE WAHUS: Okay. Bruce.

3 MR. BRUCE SHUPP: I would suggest
4 adding an action item. I will read it and then I
5 will explain it.

6 Facilitate a coordinated seven-state
7 approach to obtain reservoir specific land and water
8 based recreational and economic benefit data. This
9 is something that's really lacking throughout the
10 entire Tennessee Valley, not just in the TVA's waters
11 but in the states in general.

12 For communities and states to make
13 long-range -- do long-range planning, they have to
14 understand what the economic benefits are from the
15 TVA lands, the TVA waters, and recreation in general.

16 It's usually many multiples above what they expect it
17 to be. Therefore, it really plays an important role
18 in their long-range planning.

19 This data is not available. I am not
20 aware of any state that has it or any of these
21 reservoirs that have it. There was some available on
22 some of the waters back in the '90s when the Corps
23 actually was cooperating with TVA on some of those
24 user surveys, and that data was remarkable even back
25 then. It's many, many times more important today
1 than it was then. So I think this is really a 310
2 critical thing.

3 I am not suggesting that TVA fund
4 this. I am suggesting that TVA bring those states
5 together and say, if you guys want to compete in the
6 planning process of your state, you better get some
7 good use and economic data to go to your planners
8 with and talk about your resources because that's how
9 you compete.

10 FACILITATOR DAVE WAHUS: Okay. Thank
11 you. Did we capture all of that?

12 MR. BRUCE SHUPP: Yes.

13 FACILITATOR DAVE WAHUS: Okay. Good.
14 Mike.

15 MR. MICHAEL BUTLER: I would like to
16 add one that says TVA should aggressively pursue
17 developing partners to conduct research looking at
18 boat usage and boat traffic on reservoirs. I am
19 going to elaborate on this a little bit in terms of
20 that that will suffice as a statement.

21 There is -- there are -- while boating
22 is managed, I think, in most states by the state
23 wildlife agencies, there is an enormous amount of
24 boat traffic. I mean, the boat traffic has grown
25 expedientially in the last ten years on a lot of
1 these reservoirs to the point that it's getting into 311
2 a safety issue. The state agencies, while they have
3 the resources to patrol that issue, they -- our
4 concern is that if you have TVA managing how many
5 boat ramps was it? It's 270 or something like that.

6 MR. BRUCE SHUPP: 700.

7 MR. MICHAEL BUTLER: How many boat
8 ramps?

9 MR. BRUCE SHUPP: 700.

10 MR. MICHAEL BUTLER: 700 boat ramps.
11 So in terms of -- I understand that TVA can't and
12 probably doesn't want to get into looking at how to
13 address boating traffic in terms of part of its

14 mission in a major sense, but if they could provide
15 leadership and help us push the wildlife agencies and
16 whoever else we need to push to come to the table to
17 start having discussions on this we -- there are
18 places where I grew up fishing that you can't fish
19 there anymore.

20 FACILITATOR DAVE WAHUS: Are you
21 talking about carrying capacity?

22 MR. MICHAEL BUTLER: Exactly. I'm
23 talking about carrying capacity of reservoirs for
24 recreational boating, that's exactly what I am
25 talking about. That's exactly what I am talking
1 about. 312

2 Certain users are excluding other
3 users in certain areas on the reservoirs. While the
4 organization I represent believes strongly in a
5 multiple-use management paradigm we are -- we have
6 some uses that are preventing multiple uses in a
7 handful of places, and I only see that usage
8 increasing over time.

9 COUNCIL CHAIR MR. TOM LITTLEPAGE: And
10 I can -- I am thinking back to Jeff's message and I
11 am trying to reconcile what we ended up telling TVA
12 relative to encouraging people to get out and

13 recreate and understand these resources and touch
14 them and then manage the impacts versus trying to
15 control types of recreation that impact others.

16 You know, it seems to me we are in
17 some cases are almost schizophrenic in terms of what
18 we're trying to tell TVA, and I just want to see if
19 there's some way we can provide a more consistent
20 message or input into their process.

21 I don't know that it's really -- it's
22 a function of we want people to understand these
23 resources and value their uniqueness but at the same
24 time not ruin it for everybody else.

25 FACILITATOR DAVE WAHUS: So you want
1 to encourage recreation use and manage the resources
2 so it doesn't negatively impact --

3 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
4 think maybe the suggestion is be sensitive to
5 opportunities for directed recreation that limits
6 impacts on other users.

7 FACILITATOR DAVE WAHUS: Okay. Thank
8 you.

9 MR. BRUCE SHUPP: Which all goes back
10 to the need for quantifying the use. If you don't
11 quantify it, you can't compare it and say what's good

12 and what's bad and what's pleasurable and not
13 pleasurable.

14 FACILITATOR DAVE WAHUS: Jeff.

15 MR. JEFF DURNIAK: Tom, think it can
16 be resolved at the project level. The Forest Service
17 is a good model. You can use such terms as desired
18 future conditions, how many people can this place
19 fit, and then limits of acceptable change, which is
20 how much erosion are we willing to put up with here,
21 what are the cost benefits per site.

22 Generally I think you can send both
23 messages, which is to be a responsible steward but
24 allow use so you have some stewards. You can resolve
25 things at a project or site, a management unit that
1 does try to find that balance between use and 314
2 conservation if that helps.

3 COUNCIL CHAIR MR. TOM LITTLEPAGE: And
4 what was the term? You said desired future --

5 MR. JEFF DURNIAK: One is a desired
6 future condition. What do we want this place to look
7 like in 10, 50 or 100 years? It will be a lake shore
8 with a developed campground in this 1 acre with
9 20 acres set aside for a mature forest.

10 COUNCIL CHAIR MR. TOM LITTLEPAGE: And

11 maybe take that concept where TVA would create a
12 desired future condition for resource areas. To the
13 extent you could define a carrying capacity, it may
14 not be a reservoir, but in similar terminology, you
15 know, you encourage development to that carrying
16 capacity and then you seek to begin to limit.

17 I guess to some degree that's sort of
18 consistent with what we said earlier with regards to
19 understand what's going to happen in the next 10 or
20 15 or 20 years and manage towards that.

21 FACILITATOR DAVE WAHUS: Okay. Any
22 other issues that should be considered under
23 recreation strategy?

24 Well, let's use our thumbs again then.
25 We have four issues that they need to consider. The
1 first is consider the permit system, such as the 315
2 National Park Service, where users on dispersed
3 recreation sites must have permits.

4 MR. JEFF DURNIAK: Dave, are fees
5 covered here or should that be permit/fee?

6 FACILITATOR DAVE WAHUS: We could add
7 permit/fee.

8 MR. JEFF DURNIAK: Another could be
9 revenue so that you pay for the management, which is

10 a concern of the power distributors.

11 FACILITATOR DAVE WAHUS: Okay. I
12 think that's mostly what the park service does. They
13 have these unattended sites where you put your \$5 in
14 or whatever it is to get your permit.

15 Okay. High, medium or low on the
16 first one? I'm seeing high.

17 The second one is to facilitate a
18 coordinated seven-state approach to obtain reservoir
19 specific land and water-based recreational and
20 economic benefit data. High, medium or low? High.

21 TVA should aggressively pursue
22 developing partners to conduct research on boat usage
23 and boat traffic on its reservoirs, such as carrying
24 capacity of reservoirs for recreational boating.
25 High, medium or low? I am seeing mostly high.

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1 Encourage recreational use and be
2 sensitive to opportunities for recreation uses that
3 limit impacts on other users. The U.S. Forest
4 Service is a good model. Desired future conditions
5 and limits of acceptable change for finding a balance
6 between recreation and resource impacts. High,
7 medium or low? High.

8 Okay. Let's go back then to question

9 No. 3 -- first, before we go to question No. 3, are
10 there any other focus areas other than the four that
11 we have gone through that TVA has identified?

12 Are there any focus areas that the
13 environmental stewardship area should be considering?

14 When we asked the question earlier
15 this morning, by no response I take it that you
16 didn't have any more. Now that we have had this
17 discussion, I offer that question to you one more
18 time. Are there any other focus areas? Okay. I am
19 hearing you saying by not saying anything that there
20 are no additional ones.

21 Let's go back to question No. 3. Are
22 there any other items, any other recommendations on
23 how TVA can improve the natural resource management
24 strategy? Any second thoughts?

25 Yes, Jeff.

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1 MR. JEFF DURNIAK: Possibly better
2 define your enforcement actions. There's a lot of
3 talk about collaboration and trying to work
4 cooperatively, but there's a time and a place to
5 enforce your regulations.

6 FACILITATOR DAVE WAHUS: Okay. Are
7 there any others?

Does anyone have anything further to say on any of the topics that we have discussed this morning?

Are you satisfied with it?

Does anyone have any objections, any minority reports?

Mr. Chairman, you do have a quorum.

In fact, you have a couple more than a quorum. I would then offer you an excellent product. I think -- I commend the group for doing a very good job of providing input to TVA.

I will turn the floor back over to you. We're about an hour early. So you guys have really done a great job.

One more thing, would you help me again thank Catherine? She's made this job a lot easier.

COUNCIL CHAIR MR. TOM LITTLEPAGE: All
318
right. Thank you for your participation in this
process. I think TVA is actively looking for the
inputs that we provide and has been very open to, I
think, accepting these and modifying their products
in accordance. So I appreciate your efforts in
trying to help make it better.

7 Yesterday we talked about the next
8 meeting, and I think we had two dates that were
9 thrown out, October 9th and 10th and November 6th and
10 7th. At this time I think the October date was the
11 date that I think everybody but one could make. So
12 if you would indicate that on your calendars and
13 start to reserve that, that will be the date that we
14 will head towards, October 9th and 10th.

15 MR. BRUCE SHUPP: Tom, is there a
16 reason that we slid from mid-week meeting to Friday
17 meetings? Is there any reason to TVA that you did
18 that?

19 MS. ANDA RAY: I will just let you
20 answer that.

21 MR. RICH DRIGGINS: I think the reason
22 we started doing that is a lot of our officers end up
23 with meetings on Wednesday because of the way that
24 they have changed the internal meeting schedules. So
25 it just kind of worked that way. We used to meet
1 earlier in the week. In order to make sure that we
2 have these people available we had to shift it, and
3 that's kind of what's driven it.

4 We can go back and -- you know, after
5 this next meeting for the future we can see if we can

6 revisit that, but typically the officers tend to have
7 meetings the first part of the week.

8 MS. ANDA RAY: Would it help not to
9 travel -- would Wednesday and Thursday be better?

10 MR. BRUCE SHUPP: Absolutely, yes.
11 There's things to do Friday night like kick-offs and
12 things like that.

13 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
14 guess I would like to hear from a broader perspective
15 of the Council. Is that generally your feeling too,
16 try to avoid a Friday meeting?

17 MR. MICHAEL BUTLER: If it's on
18 Wednesday in the spring it's terrible because the
19 legislature is in session for me, and that's a very,
20 very busy day just from my perspective, but it's
21 immaterial either way.

22 COUNCIL CHAIR MR. TOM LITTLEPAGE: In
23 the fall that shouldn't affect it.

24 MR. BRUCE SHUPP: I always try to
25 avoid -- for those that are flying, Monday and Friday
1 flying is usually a nightmare compared to the
2 midweek.

3 COUNCIL CHAIR MR. TOM LITTLEPAGE: I
4 think we will encourage the staff to take that into

5 consideration.

6 I guess on one note, Rick has told us
7 that he's retiring and probably won't be here for the
8 next meeting. So I want to formally thank him for
9 his role with regards to the commission, I'm sorry,
10 the Council. He's has a lot of behind-the-scene
11 support that we never see. I just want to formally
12 thank him for his efforts for that. So we appreciate
13 that. He can come back as a citizen/stakeholder and
14 tell us how we really need to do it.

15 Any other comments or questions? Anda
16 has one thing she wanted to raise.

17 MS. ANDA RAY: I just wanted to let
18 you know about some kind of late breaking news, at
19 2:30 a.m. this morning, I guess it is, the Senate
20 confirmed Tom Gillian as one of our board members but
21 they took no action on Susan Williams and Bishop
22 Graves. So we're up one. So that's good. Helping
23 that quorum.

24 I did really want to thank for some of
25 the arrangements, besides Rick doing all of the work,
1 Beth Keel in the back and Beth and Vicki will -- see,
2 it takes -- I can't even believe I'm saying this, it
3 takes two people, forget which sex they are, to

4 replace Rick for going forward on the Regional
5 Resource Stewardship Council. So thank you very
6 much.

7 FACILITATOR DAVE WAHUS: I would ask
8 you at this point to take your name tags off and
9 place -- I'm sorry. Glen.

10 MR. GLEN BIBBINS: Before we go I just
11 wanted to say that because TVA did such a good job,
12 they've made it really hard for me to provide much
13 input.

14 Secondly, I have a question for TVA.
15 I like to take material I get from TVA and pass it
16 along to my colleagues. Is there anything in here
17 that's proprietary? Obviously, there's a lot of
18 stuff that's not.

19 MS. ANDA RAY: Anything we give you is
20 open to the public, but make sure that the draft
21 stays on there because we haven't released any of the
22 environmental or the natural resource management
23 strategy. We did ask all of the speakers if you
24 could have copies and you may pass them on.

25 FACILITATOR DAVE WAHUS: Good
1 question. I would ask at this point that you-all
2 take your name tags off and place them on the table.

3 Your lunches are available on the table outdoors.
4 There are several types of sandwiches. So please
5 make note that if you want turkey that you don't pick
6 up ham. If you want a drink, please take a drink
7 from over here with you as you leave. You're welcome
8 to take the lunch and depart or you're welcome to
9 come back in here and eat your lunch, whichever you
10 prefer. That's all I have.

11 COUNCIL CHAIR MR. TOM LITTLEPAGE: All
12 right. Other any comments before we adjourn?

13 Hearing none, I wish y'all well. We
14 will gather again this fall. We are adjourned.

15 END OF MEETING

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2 REPORTER'S CERTIFICATE

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6 I, Kimberly J. Nixon, RPR, the officer
7 before whom the foregoing meeting was taken, do
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12 That the transcript is true and accurate
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17 That I am neither counsel for, related to,
18 nor employed by any of the parties to this action;
19 and I further certify that I am not a relative or
20 employee of any attorney or counsel employed by the
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25 In witness whereof, I have hereunto set my
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KIMBERLY J. NIXON, RPR
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